

2

IN THE
United States
Circuit Court of Appeals

For the Ninth Circuit

JOSEPH HOTCHNER,

Appellant,

vs.

FEDERAL ELECTRIC COMPANY, a California
Corporation,

Appellee,

and

JOSEPH HOTCHNER,

Appellant,

vs.

R. E. MORGAN and P. C. LONG,

Appellees.

Brief for Appellant

Upon Appeals from the Southern Division of the
United States District Court for the
Northern District of California,
Second Division.

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INDEX

eliminary statement
signment of Errors
e Invention
e Evidence
tents in Evidence
te of Invention
e Decision beyond Issue
nclusion

DECISIONS CITED

aatz vs. Tienmann, 79 Fed. 321
irley vs. Anderson 8 Fed. 905
ughey vs. Meyer 48 Fed. 679
mear vs. Capital Co. 81 Fed. 491
ering vs. Winona 155 U.S. 286
rbed Wire Patent case 143 U.S. 275
therell vs. Keith 27 Fed. 364
awes vs. Antisdale Fed. case 6234
erican Co. vs. Weston 57 Fed. 147
nyclopedia of Evidence Vol. 9, page 646
. Paul vs. Stanley 140 U.S. 184
ark vs. Willimantic 140 U.S. 492
vised Stat. Sec. 4886
ockett vs. Lee 20 U.S. 522
att vs. Vattier 34 U.S. 405
ox vs Smith 45 U.S. 298
Barb 265
oud vs. Whiteman 2 Har. 401
y vs. Cordesman 109 U.S. 408
pliff vs. Topliff 145 U.S. 156

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BRIEF FOR APPELLANT.

PRELIMINARY STATEMENT.

This appeal is a consolidation of two cases, one, the case of Hotchner vs. Federal Electric Company, and the other, Hotchner vs. R. E. Morgan and P. C. Long, both of which were tried by his Honor Judge Rudkin, as one case.

In the Federal case, United States letters patent No. 1,259,237 dated March 12, 1918, and letters patent No. 1,315,187, dated September 2, 1919, upon electric signs, are involved, the sign in question having the matter of each patent in conjoint use.

In the Morgan and Long case, letters patent No. 1,259,237 alone is involved.

Both of these patents were filed in the United States Patent Office October 19, 1914, and that date forms an important part of the case, as will be later shown.

ASSIGNMENT OF ERRORS.

The Assignment of Errors in the Federal case is as follows: The Honorable District Court erred in dismissing the complaint herein as follows:

1. In holding the patent No. 1,259,237 is void when only claim 4 was in issue in said action.

2. In holding that patent No. 1,315,187 is void when only claims 1, 2 and 3 were in issue herein.

3. In holding that claim 4 of patent No. 1,259,237 is void.

4. In holding that claims 1, 2 and 3 of patent No. 1,315,817 are void.

5. In holding that even if said patents are valid that neither of them are infringed.

6. In holding that combination claims are void because their several elements may be found separately in the prior art.

7. In holding that any patent in the record negatives the patentable novelty of the claims in issue in either patent herein.

8. In holding that any public use of a sign alleged to have anticipated the claims of either or both patents was sufficient but had to be proven.

9. In holding that any public use of any sign offered in evidence herein was an anticipation of any claim in issue in either patent.

10. In making the following decision: "The claim that a (See Record, 265) person in this day and age can gain a monopoly on the right to use raised letters in an electric sign, or upon the mere mode employed to throw rays of light from such sign upon a sidewalk is to my mind utterly unfounded. The complaints in both cases are therefore dismissed."

11. In dismissing the complaint at the cost of plaintiff.

12. In not holding both of said patents valid and infringed.

The Assignment of Errors in the Morgan and Long case is substantially identical with the Assignment of Errors in the Federal case, excepting only that but one patent is involved in that case. These Assignments of Error are found at pages 343 and 351 of the record.

THE INVENTION.

The two patents here involved disclose and claim electric signs of a certain type in which the lamps are installed within the body of the sign.

Letters patent 1,259,237 shows and describes a box-like structure made of metal with a raised molding around the elements of the letter to produce the letter form.

At the back of this raised molding there is a sheet of translucent material to fill up the letters space between the raised moldings. This translucent material is then illuminated by lamps within the sign.

Claim 4 of this patent is the only claim that was alleged to be infringed, and the case was tried with that statement made at the beginning of it.

Claim 4 of this patent is—A sign comprising a sheet metal body with a raised molding formed therein to define a character, a sheet of translucent material covering the entire area of the space bounded by the greatest length and breadth of the letter back of the same the edges of the molding toward the center of the elements of the letter lying substantially in contact with the translucent material, and means to illuminate the translucent material and through which the light shines.

The second patent discloses and claims a somewhat similar box-like structure, but which structure is specially provided with lamps for illuminating the sidewalk below the sign. These lamps are installed in a trough formed in the lower edge of the sign body and the relation of this trough to the lamps must be such as to conceal the sidewalk lights from a person looking at the sign from a distance in order to prevent losing the effect of the sign itself.

Another object of the trough for illuminating the sidewalk is to aid in affording a reflector for illuminating the letters themselves in the body of the sign, so that the trough not only accomplishes the

sidewalk illumination but aids in improving the illumination of the letters of the sign, but this is only one object of the sidewalk reflector.

The claims involved in this case are as follows:

1. In an illuminated sign, a sign body, a lamp located within said body to illuminate a character carried thereby, a lamp below the first lamp to illuminate the sidewalk below the sign, and means intercepting the rays from the latter light when the sign is observed at some distance horizontally therefrom.

2. In an illuminated sign, a sign body, a translucent character carried thereby, a concealed light to illuminate said translucent character, a reflector below the lamp to direct the light from said lamp through the character, and another light upon the opposite side of said reflector from said first lamp for illuminating the sidewalk below the sign.

3. In an illuminated sign, a sign body, a translucent character carried thereby, a lamp within the sign body to illuminate the character, a reflector to direct the light from said lamp through the character, and another light adjacent said reflector so placed that the rays therefrom will strike the opposite side of the reflector and illuminate the sidewalk below the sign.

The patents in question are shown at page 372 and 376 respectively of the record. More than 25 United States and foreign patents were set up as anticipating the claims in issue, but only 15 of them were offered in evidence, and of these Wortley,

No. 1,128,741, dated February 16, 1915 is five months later than the filing date of either patent so that it is not applicable to any claim in issue herein (Rec. page 417).

Similarly Harris No. 1,238,763, September 4, 1917, was not filed until a year and 4 months following the filing date of both patents so that it is not applicable to any claim in either patent as a reference. (Rec. page 438).

In addition to the patents, a number of public uses were also alleged as anticipating patent No. 1,259,237, but no sign was shown to be in public use which in any way resembled the sign shown in patent No. 1,315,187, although something was said by some of the witnesses that it was common to make signs open at the bottom, as if such a statement as that could anticipate the claim of a patent.

THE EVIDENCE

Taking up the evidence in the order of its introduction plaintiff's exhibits 3 and 4 are photographs of the sign made by Morgan and Long (See page 39 of the record and the following page for a description of the sign).

There is no testimony whatever in the record, at any place to contradict this testimony and obviously there could not be for it is apparent upon an examination of the photographs that the "lunch" sign made by Morgan and Long is substantially identical with claim 4 of the patent No. 1,259,237 which it is alleged to infringe.

Plaintiff's exhibits 5 and 6 (see page 41 of the record) show a sign made by the Federal Electric Company installed at 11th and Broadway, in Oakland. There is some contradictory testimony about these signs, but no one can look at them and fail to see the raised molding surrounding the edge of the letter and the trough in the bottom of the sign body which houses the lights for illuminating the sidewalk, made in accordance with the claims in issue.

Another photograph of these same signs is plaintiff's exhibit 7.

THE PATENTS IN EVIDENCE

The Murray patent—(page 380)—shows an electric sign of a box like character with a plurality of raised lips struck out of the face of the sign, the openings thus produced allowing some light to escape from the interior of the sign body.

The claim in issue is a very specific one having the following elements (page 374):

- (1) Sheet metal body.
- (2) Raised moulding to define a character.
- (3) Sheet of translucent material back of letter covering entire back of letter.
- (4) Edges of moulding substantially in contact with translucent plate.
- (5) Means to illuminate the character.

It is obvious on comparing the above claim with the Murray patent that it has no such moulding at all and obviously no moulding edge that could contact with the translucent material.

The Bock patent shows simply and only a window sign made up of tinfoil (page 386, lines 95 et seq.). This letter is a mere transparency glued or fastened on a glass window pane.

The Muller-Thym patent—(page 388)—simply shows a letter with a raised rim around the letter, in the recesses of which pieces of glass are secured. This is not the way the glass is put in the patentee's sign at all. If this sign was provided with sheets of glass such as applicant uses there would be a pocket all around the letter to collect dust and dirt of all kinds.

The Amy patent—(page 392)—is somewhat the same as the Muller-Thym patent. It certainly does not show a raised moulding such as the patentee has disclosed.

The Very patent—(page 400 of the record)—bears not the remotest resemblance to the sign made under the claim in issue. It is apparent that it is nothing more than a built-up-glass letter consisting of a series of separate glass plates.

The Genies patent—(page 406)—is simply and only a sort of spot light for illuminating a sign or number plate on an automobile, it is in no way like the signs shown in the patent here in issue.

The Thorne patent—(page 422)—shows an enclosed transparent sign with a flat front. The letters are not raised nor does it have any lamps for sidewalk illumination. What it was placed in evidence for is impossible to understand.

The Clark patent—(page 426)—shows a headlight dimmer with a series of holes punched in it to produce letters, and to illuminate something in front of the headlight. It is a sign, but it does not have anything like any element in any claim in issue herein.

The earlier Wortley patent of 1911—(page 430)—consists of a box-like sign below which are a series of bell-like members carrying letters. The top line reads “DOE” and the lower line reads, “CLOTHING.” In common with the later Hotchner patent it lights the sidewalk, but does just exactly what that patent prevents, i. e. shows light from the lower lamps to an observer at a distance horizontally therefrom. This patent, of course, has nothing to do with the raised moulding sign.

The Wiley patent—(page 441)—is for a box-like sign body with raised glass letter fronts. It does not in faintest degree compare with the sign described in claim 4 of the earliest Hotchner patent, and has nothing in common with the other patent at all.

The Little patent—(page 451)—is dated April 30, 1861. It shows a wood front sign with recessed letters. The description is very faulty, but it obviously does not have a metal front with a raised moulding having the edges of the moulding in contact with the translucent, and also, it does not show any means for sidewalk illumination, so of course, it could not meet any one of the three claims in issue in the second patent.

The patent to plaintiff of 1904—(page 454)—was considered in the prosecution of the case in the patent office. It shows a sign on which wooden mouldings are secured to outline a letter. The patent office did not consider this patent to anticipate the limited claim in issue herein and it certainly has defects which the present invention corrects. One of the alleged public uses was on a sign in Los Angeles constructed as disclosed by this patent. See deposition of Paul D. Howse (pages 135 to 145) and the defects of this sign set forth in the deposition of W. W. Ferris (page 306) and the testimony of Mr. Hotchner (page 297). Suffice it to say this structure does not present the matter of claim 4 of the earlier Hotchner patent, and has no bearing on the later patent.

The Clark patent shows an open bottomed sign body, with a sign-board below the same. Neither the lamps nor the reflectors are placed as described in the second Hotchner patent, nor is the patented sign-body open at the bottom as is the Clark sign.

The Fortman patent shows an automobile tail light which has three compartments, each of which has a translucent cover to the rear, and one of these is open at the bottom. This is not the construction claimed, and as it is a disclosure after the time of the patentee's date of reduction to practice (see page 292 and page 319) it is not a reference against the present claims under well-known decisions.

This is the last of the paper references cited and it is apparent that none of them meet the claims in issue.

The public uses alleged consist of a sign at Los Angeles, a sign at Portland, Oregon, and a series of signs made at Denver, Colorado.

The Los Angeles sign referred to in the deposition of Paul D. Howse (pages 135 to 145) has been referred to above as being made under Hotchner's earlier patent or at least of the same kind.

The Portland sign shows on its face that its flanges around the letter are not of the kind described in the claim in which the raised moulding contacts with the translucent material.

The testimony of J. C. Zancker shows on its face that he does not know what he is testifying about (see pages 171 and 172) where he is asked if he recognizes any difference between the Hotchner signs made with one construction and the Oregon Hotel sign of another construction. He says, "I do not recognize any mechanical difference."

A mere inspection of the large Oregon Hotel sign photo and the Hotchner signs and the cuts of the patent show him to be very weak not to see obvious things. The remainder of his testimony is mere hearsay.

This leaves the signs made at Denver to be last considered. They were made by the Prismatic Sign Co. of Denver, Colo. and it is apparent from the testimony about them that only one of them, to

wit, the one made for the Denver Electrical Company was made at a date early enough to have any effect on the earlier patent. They are merely public uses at best, they must be proved with the utmost force and any discrediting facts take them out of the realm of anticipations. The Littleton Colorado sign is supported only on parol testimony and is for that reason insufficiently proven.

Mackenzie talks of a number of signs made like these signs, but only the Denver Electrical Company sign is of a date more than two years prior to the filing date of the patent in question.

There is nothing in any of the sign erecting permits placed in evidence to show that a **particular kind of sign** was installed at the date in question, and as to the Denver Electrical Co. sign the very inspector who examined the sign when it was hung, and inspected it testified that when he inspected it, it had no raised moulding such as the sign now has which was placed in evidence (see pages 315 and 316). This testimony is entitled to the greatest weight as it was given by one having no interest in the suit who is accidentally living here in San Francisco. Certainly the inspector knew as much about the sign in question as any one could.

In addition he is borne out in his statements by W. W. Ferris (pages 304, 305). It is claimed these raised moulding signs were installed in Denver about 1912 and 1913, and that they remained in the same condition from then to date. Mr. Ferris went

to Denver a number of times from 1911 to 1914 looking for new ideas in the electric sign business, and carefully observed the signs then displayed (Feb. 1914) and saw no signs of the character of the Hotchner patent.

The patented sign is usually referred to under its trade name "The Luminous Sign;" and he says at all the places mentioned as having signs with raised mouldings installed earlier than 1914, that he saw no such signs at the Denver Electric Co. store, May's Department store, 516 Sixteenth St. at 757 Broadway. He passed these places both in the day and at night looking for new ideas. Surely if such a thing was then installed he would have seen it.

This sort of testimony from persons in the trade is acceptable to prove that such a thing was not known at that time, (see *Shirley vs. Anderson*, 8 Fed. 905) in which it was held that "testimony that a firm made thousands of dozens of the article in question is not sufficient where none of the articles were produced and where men of the trade testified that they never saw such a thing." (See also *Kraatz vs. Tienmann*, 79 Fed. 321).

In *Haughey vs. Myer* it was held that "although considerable evidence was introduced, the fact that he was unable to produce a single device antedating the patent deprived his evidence of that certainty necessary to overthrow a patent." **Here the single article produced is stated by its inspector to be in a different form from that which it was in when in-**

stalled. See Mr. Thorne's testimony page 313. This is sufficient to completely discredit this testimony.

The courts hold that to prove want of novelty, "that every reasonable doubt should be resolved against the party asserting want of novelty."

Kinnear Co. vs. Capital Co., 81 Fed. 491, and the Supreme Court said in Deering vs. Winona, 155 U. S. 286:

"Granting witnesses to be of the highest character, and never so conscientious in their desire to tell only the truth, the possibility of their being mistaken as to the exact device used, which, though bearing a general resemblance to the one patented may differ from it in the very particular which makes it patentable, is such as to render oral testimony peculiarly untrustworthy particularly so if the testimony is given after the lapse of years from the time the alleged anticipating device was used. If there be added to this a personal bias, or an incentive to color the testimony in the interest of the party calling the witness, to say nothing of downright perjury, its value is, of course, still more impaired." To the same effect is the

Barbed Wire patent case, 143 U. S. 275.

"In view of the unsatisfactory character of such testimony, arising from the forgetfulness of witnesses, their liability to mistakes, their proneness to recollect things as the party calling them would have them recollect them aside from the temptation to actual perjury, courts have not only imposed upon defendants the burden of proving such devices, but have required

that the proof shall be clear, satisfactory and beyond a reasonable doubt. Witnesses whose memories are prodded by the eagerness of interested parties to elicit testimony favorable to themselves are not usually to be depended upon for accurate information. The very fact, which courts as well as the public have not failed to recognize, that almost every important patent, from the cotton gin of Whitney to the one under consideration, has been attacked by the testimony of witnesses who imagined they had made similar discoveries long before the patentee had claimed to have invented his device, has tended to throw a certain amount of discredit upon all that class of evidence, and to demand that it be subjected to the closest scrutiny. Indeed, the frequency with which testimony is tortured, or fabricated outright, to build up the defence of a prior use of the thing patented goes far to justify the popular impression that the inventor may be treated as the lawful prey of the infringer."

Many cases express the same ideas of which see *Wetherell vs. Keith*, 27 Fed. 364; *Hawes vs. Antisdale*, Fed. case 6234; *American Co. vs. Weston*, 59 Fed. 147.

LAW POINT NO. 1.

THE DATE OF THE INVENTION

The patentee testifies that the first sign made in accordance with the patent was sold to Max Shirpser, December 5, 1913 (see page 293) and that both inventions were originally made in 1910, at the factory 837 Ellis Street. Mr. Meeks corroborates this

testimony as to the making of the signs in 1910 (see page 319).

See Ency. of Evidence, Col. 9, page 646, in which it is stated: "Where the validity of the patent is assailed on the ground of anticipation, and the party asserting invalidity has introduced evidence—of anticipation—it is proper to permit the patentee to show that prior to that date he had reduced the invention covered by his claim to practice in a working form."

This is supported by the cases of *St. Paul vs. Stanley*, 140 U. S. 184 and *Clark vs. Willimantic*, 140 U. S. 492.

It is undeniably the law today and necessitates all public use testimony to be of facts more than two years prior to the filing date of the patent application under Section 4886 of the Revised Statutes where a prior date of invention is shown.

The provision is: Any person who has invented or discovered any new and useful art machine,—not known or used by others in this country before his invention thereof—and not in public use or on sale in this country more than two years prior to his application—may—obtain a patent therefor.

This eliminates all save the Denver Electrical Co. sign and the parol proven Littleton sign from consideration here, and the former is so discredited by the testimony of the inspector of the Department of Electricity of Denver that it ought not to be accepted as sufficiently proven.

LAW POINT NO. 2.

THE DECISION GOES BEYOND THE MATTER
IN ISSUE

Claim 4 only of the earlier patent and claims 1, 2 and 3 only of the later patent were in issue, but the decision holds both patents void. This is clearly a decision beyond any issue on either patent. No evidence was introduced on either side to support any findings on claims other than those placed in issue at page 35.

It is elementary that any decree must be within the issues of the case and must have evidence to support it.

Citation of authorities should be unnecessary on such a self evident proposition. Obviously the decree should be modified to correspond with the issues in any event.

The cases of *Crockett vs. Lee*, 20 U. S. 522, *Piatt vs. Vattier*, 34 U. S. 405 and *Knox vs. Smith*, 45 U. S. 298 are authority for the statement that the relief afforded by the decree must conform to the case made out by the pleading, as well as to the proof.

It has also been held that "evidence given in an Equity suit, but not being within any issue framed by the parties, must be disregarded on the hearing, although it may have been received without objection; and a decree founded on evidence of that character will be reversed 4 Barb., 265 and see also *Cloud vs. Whiteman*, 2 Har. 401.

LAW POINT 3.

The decision upon which the decree was entered is as follows: "The claim that a person in this day and age can gain a monopoly on the right to use raised letters in an electric sign, or upon the mere mode employed to throw rays of light from such sign upon the sidewalk is to my mind utterly unfounded. The complaints in both cases are therefore dismissed."

This decision shows a total misapprehension of what the issues of the case are. The patentee claims nothing the Learned Judge sets forth in the above decision save that as to the elements which he has mentioned they happen to be parts of the complete combination set forth in the claims in issue in the two patents. The patentee does not claim a monopoly on merely a raised letter in connection with an electric sign. What he is entitled to and what he claims is set forth in the full series of elements in Claim 4 of the first patent and the full series of elements set forth in Claims 1, 2, and 3 of the second patent. It is no answer to say that because parts of the claims are old that they are void.

Combination claims must be read as a whole no element can be omitted therefrom nor can any element be added thereto.

In *Fay vs. Cordesman*, 109 U. S. 408, the Supreme Court has the following to say:

"The claims of the patents sued on in this case are claims for combinations.—If it be a claim to a

combination, and be restricted to specified elements, all must be regarded as material, leaving open only the question whether an omitted part is supplied by an equivalent device or instrumentality." Hundreds of other cases express this same thought and it is beyond peradventure the law today.

CONCLUSION

These cases should be reversed:

1. Because it is obvious to any one looking at the signs made by both defendants that they are substantially copies of the signs disclosed in the patents, at least as to the matter covered by Claim 4 of the first patent and Claims 1, 2 and 3 of the second patent.

2. The prior patented art was fully considered by the Patent Office and nothing appears herein which follows the claims in issue of either patent.

3. The public uses alleged are either to non-pertinent facts, or else are so questionable, either because based wholly on parol, or because of direct contradiction of a disinterested witness as to be not acceptable under well known rules of patent law referred to above.

4. Most of the public use matter attempted to be proved in the case is within the two years' period prior to the applications for the patents and hence is not applicable as evidence of invalidity. In the single instance of the Denver Electrical Company sign, it is apparently two weeks or three weeks over

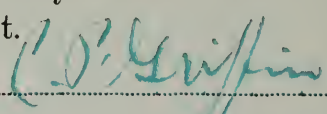
the two years' period, but it has been so discredited by its inspector that it should not be accepted as evidence and of course, the parol proven Littleton sign cannot overthrow a patent.

5. The patentee made and sold a sign, made in accordance with the disclosure of Claim 1, in December, 1913 and is corroborated as to the production, in 1910, of a full sized letter, which letter has been placed in evidence herein.

6. The decrees in both cases should be reversed to remove from them matter upon which not a shred of testimony was taken by either side.

7. It is not in the spirit of the patent law, nor in the trend of present day decisions to seek by technical construction all possible avenues to defeat a patent. It has been expressed in *Topliff vs. Topliff*, 145 U. S. 156, as follows: "The object of the patent law is to secure to inventors a monopoly of what they have actually invented or discovered, and it ought not to be defeated by too strict and technical, adherence to the letter of the statute, or by the application of artificial rules of interpretation."

The case is respectfully submitted for reversal, with costs to appellant.


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